GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:1873
ANSWERED ON:29.11.2002
INVESTMENT BY RBI
AMBATI BRAHMANAIAH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a): whether the RBI is reducing its overseas investment in foreign securities;

(b): if so, the reasons for the same;

(c): whether the RBI has increased its holdings in foreign currencies and deposits with greater liquidity; and

(d): if so, the reasons for this change in pattern of investment by RBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)
(a): Reserve Bank of India makes investments taking the prevailing market conditions and within the framework of Section 17 of RBI Act. RBI has not reduced its investment in foreign securities compared to the position as at the beginning of the year 2002.
(b): Does not arise.
(c): RBI is investing the foreign exchange reserves in some majorcurrencies which have very good liquidity in the international markets. The investment pattern has not undergone any major changes since the beginning of the year 2002.
(d): Does not arise.